

Message Text

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ORIGIN ARA-10

INFO OCT-01 ISO-00 EB-08 TRSE-00 DHA-02 AID-05 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 L-03 IO-13
NSC-05 SS-15 STR-04 CEA-01 H-01 IGA-02 /099 R

DRAFTED BY ARA/ECP:RTAYLOR:JD
APPROVED BY ARA/ECP:SHROGERS
LA/MRSD: BUPTON
EB/IFD/ODF: JBLANEY
ARA/ECA:RGRAHAM
TREASURY/OASIA: IKAYLIN
USIDB: NCOAR (SUBSTANCE
D/HA: ICESLAW (INFO)
-----061854Z 085136 /46
R 061449Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY MONTEVIDEO

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E.O. 11652: N/A

TAGS: EAID, SHUM, IDB, UY

SUBJECT: PROPOSED IDB LOAN - PASO SEVERINO WATER SUPPLY

REF: (A) MONTEVIDEO 954; (B) MONTEVIDEO 900

1. INFORMAL CONSULTATIONS AMONG CONCERNED USG AGENCIES,
BASED ON THE PRELIMINARY IDB PROJECT DOCUMENT, INDICATE A
GENERAL CONSENSUS THAT FSO FUNDING WOULD BE INAPPROPRIATE
FOR THE PASO SEVERINO WATER SUPPLY PROJECT.

2. PASO SEVERINO IS A BASIC INFRASTRUCTURE PROJECT FOR THE
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CITY OF MONTEVIDEO. THE WATER SUPPLY THE PROJECT WILL PRO-
VIDE BENEFITS THE ENTIRE SERVICE AREA AND IS NOT RESTRICTED
TO THE POORER INHABITANTS. SLIGHTLY INCREASED USER CHARGES
SHOULD BE ADEQUATE TO PAY INTEREST AND AMORTIZATION ON AN
ALL ORDINARY CAPITAL LOAN. THE NEED FOR CONCESSIONAL
FINANCING DOES NOT SEEM TO BE JUSTIFIED.

3. THE USE OF FSO FUNDS IN PASO SEVERINO TO RELEASE OTHER OSE (STATE WATER UTILITY) FUNDS FOR OTHER PROJECTS IS CLEARLY INAPPROPRIATE. IF OSE NEEDS FUNDS TO INSTALL WATER SYSTEMS IN POOR INTERIOR TOWNS, IT SHOULD APPLY FOR FSO FUNDING FOR THEM DIRECTLY AND ALLOW THESE PROJECTS TO BE CONSIDERED ON THEIR OWN MERITS.

4. FYI - THE IDB STAFF IN WASHINGTON HAS INFORMALLY TOLD US THAT THEY CONSIDER THE PASO SEVERINO PROJECT TO BE VERY POORLY DRAWN-UP. THEY DO NOT CONSIDER IT A PRIORITY PROJECT.

5. AT PRESENT THERE ARE MOVES IN THE US CONGRESS TO ALLOW THE US IDB EXECUTIVE DIRECTOR MORE FLEXIBILITY IN APPLYING OUR HUMAN RIGHTS PRINCIPLES TO INTERNATIONAL FINANCIAL INSTITUTIONS. THESE BILLS ARE STILL IN COMMITTEE HOWEVER.

6. THE LIKELY USG OPPOSITION TO PASO SEVERINO MAY STILL BE INTERPRETED BY THE GOU AS BEING POLITICALLY MOTIVATED. THERE IS PROBABLY VERY LITTLE THAT WE OR YOU CAN DO TO COUNTERACT THIS IMPRESSION, AS OUR EXPERIENCE WITH THE FISHERIES LOAN SUGGESTS.

7. AS REQUESTED IN REF. (A), DEPARTMENT WILL EXPLORE THE POSSIBILITY OF DELAYING CONSIDERATION OF THIS LOAN BY THE IDB TO ALLOW FOR A "COOLING OFF" PERIOD. WE WILL REPORT PROGRESS IN THIS EFFORT SUBSEQUENTLY. END FYI.
VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WATER SUPPLY SYSTEM, LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 06-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770481/aaaacsrc.tel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Message ID: 4a1054a9-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
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Reference: 77 MONTEVIDEO 954, 77 MONTEVIDEO 900
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 14-Jan-2005 12:00:00 am
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SAS ID: 2879711
Secure: OPEN
Status: NATIVE
Subject: PROPOSED IDB LOAN - PASO SEVERINO WATER SUPPLY
TAGS: EAID, SHUM, EFIN, UY, IDB
To: MONTEVIDEO
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4a1054a9-c288-dd11-92da-001cc4696bcc
Review Markings:
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